United Nations A/57/187

General Assembly

Distr.: General
2 July 2002

Original: English

Fifty-seventh session
Item 113 of the preliminary list*
Review of the efficiency of the administrative and financial functioning of the United Nations

Procurement reform

Report of the Secretary-General

Summary

The present report is submitted pursuant to General Assembly resolution 55/247 of 1 May 2001.

The report details the principal focus of the Secretariat's procurement reform in response to resolution 55/247 and other relevant resolutions. The Procurement Division continues to develop and implement initiatives to increase transparency, fairness and responsiveness in the procurement process, encouraging greater participation by vendors from developing countries and countries with economies in transition and increasing the cost-effectiveness and efficiency of the Secretariat's procurement activities through sharing of information, increased field support, improved technical information, capacity-building and use of the Internet.

The Secretary-General remains committed to ensuring that these positive developments in procurement reform are sustained.

For ease of reference, the relevant paragraphs of resolution 55/247 are set forth in bold below. The response of the Secretary-General follows in normal print. The paragraph numbers correspond to those in resolution 55/247. Paragraphs covering related subjects are grouped together under relevant headings.

* A/57/50/Rev.1.

02-47642 (E) 140802

I. General comment

1. *Takes note* of the reports of the Secretary-General [A/54/458, A/54/866 and A/55/127] and of the comments and observations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions [A/55/458 and A/55/829];

2. *Welcomes* the progress achieved so far in addressing the concerns expressed in General Assembly resolution 54/14, and urges the Secretary-General to continue the full implementation of the resolution;

3. *Stresses* the need for the procurement process to be efficient, transparent and cost-effective and to reflect fully the international character of the Organization;

1. The Secretary-General wishes to express his appreciation for the positive comments and observations made by the Advisory Committee on Administrative and Budgetary Questions in its report on the measures taken to reform and improve the procurement function and reaffirms his commitment to continuing the procurement reform and ensuring a procurement system based on competition that is not only efficient, transparent and cost-effective but also fully reflective of the international character of the Organization.

II. Procurement training

4. *Endorses* the observations of the Advisory Committee in paragraph 6 of its report concerning procurement reform [A/55/458], and requests the Secretary-General to ensure proper accountability and training of all those involved in the procurement process at Headquarters and in the field;

5. *Stresses* the need for adequate training of all personnel involved in the procurement process at Headquarters and in the field;

2. The Secretary-General wishes to inform Member States that the Procurement Division has initiated various measures to address the observations of the Advisory Committee in paragraph 6 of its report. In this respect, more than 70 staff members of the Division attended a total of 16 courses on procurement during 2001 and the first half of 2002 in areas including: procurement and contract fraud, international commercial terms (INCOTERMS), information technology procurement, cost and price analysis, negotiation techniques; and contracting for construction services. The Procurement Division also invited staff members from the Department of Peacekeeping Operations and the Accounts Division to participate in the training sessions.

3. The Procurement Division has provided the Office of Human Resources Management both with professional guidance and expertise in the development of a self-study procurement module on CD-ROM and with resource persons for their training programme on procurement and contract administration. The training programme is aimed at helping staff members from substantive offices involved with procurement to correctly apply relevant procurement procedures.

4. Under the auspices of the Inter-Agency Procurement Working Group, a programme is being developed to implement a comprehensive and harmonized procurement-training programme for the United Nations system as a whole. The Procurement Division is an active participant in this endeavour.

5. In addition, the Procurement Division conducts briefing sessions for requisitioning offices to familiarize them with the procurement process and the associated procedures they are required to follow. This initiative has been augmented through the publication of "Procurement Focus", an electronic newsletter and training forum for improving the skills of staff members outside the Procurement Division in all aspects of the procurement process. Up-to-date information is also available on the Procurement Division's Intranet web site.

6. The Procurement Division has made significant efforts to improve communication with counterparts in the Department of Peacekeeping Operations and in the field and is working closely with the Department on procurement training in the field.

7. Staff members of the Procurement Division participated in the training of Chief Procurement Officers held in March 2002. The Procurement Division is also currently pursuing implementation of a training/work experience exchange programme between Headquarters and field missions. These

initiatives and others, such as the institution of a 24-hour help desk, should allow the Procurement Division to keep the field missions apprised of the latest developments under the procurement reform programme and facilitate an exchange of views on problems encountered and lessons learned with regard to field procurement. This will also help develop a more standardized approach to how problems are to be addressed in the field.

8. With respect to the issue of proper accountability, which was one of the observations of the Advisory Committee, measures taken to addresses the issue are described below (see para. 12).

III. Increasing procurement opportunities for vendors from developing countries and countries with economies in transition

6. *Takes note* of the experience of the United Nations Educational, Scientific and Cultural Organization and the Office of the United Nations High Commissioner for Refugees referred to in the report of the Secretary-General on procurement reform [A/55/127], and reaffirms the need for the Secretary-General to continue to explore ways to increase procurement opportunities for vendors from developing countries and countries with economies in transition;

7. *Reiterates its request* to the Secretary-General for the expeditious dissemination of information relating to procurement in developing countries and countries with economies in transitions, and requests the Secretary-General to pursue his efforts to sensitize the business community and United Nations offices in the developing countries and countries with economies in transition to procurement opportunities with the United Nations;

8. *Requests* the Secretary-General to continue to encourage the use of procurement from developing countries within the region for the requirements of missions when this is more efficient and cost-effective;

9. The Secretary-General reiterates his commitment to continue exploring ways to increase procurement opportunities for vendors from developing countries and countries with economies in transition while ensuring the integrity of the procurement rules and regulations. In this respect, the Secretary-General wishes to inform Member States that the value of procurement conducted by the Procurement Division and peacekeeping missions increased by 215 per cent during the last three years ($114 million in 1999 to $360 million in 2001) and now represents 42 per cent of the Secretariat's total procurement volume.

10. Representatives from the Procurement Division participated in procurement seminars held in 12 different cities in 2001. Six of these seminars were located in developing countries and countries with economies in transition. At these business seminars, staff members of the Division always emphasize potential business opportunities in the region for both peacekeeping activities and technical cooperation activities. Vendors are also provided with contact information for United Nations offices and missions in the region on an ongoing basis. Dialogue with various Member States, both individually and in regional groups, continues with a view to furthering opportunities for collaboration in the organizing of business seminars.

11. A gratis vendor advertising facility and contact information for United Nations vendors from developing countries and countries with economies in transition has been posted on the Procurement Division's web site to increase opportunities for provision of services in mission areas and for subcontracting of local components to smaller vendors in the vicinity of the missions.

IV. Efficiency in procurement

9. *Welcomes* the initiative taken by the Procurement Division to make procurement officials directly accountable to substantive departments that they support;

12. The Secretary-General wishes to reaffirm the Procurement Division's commitment to provide substantive departments with an efficient service and to be fully accountable for procurement actions taken. In addition to the requisition tracking system, which allows substantive departments to directly monitor the

evolution of a particular requirement, the Procurement Division has developed a workload tracking system for improved managerial oversight, allowing managers of the Procurement Division to monitor performance of procurement staff on an ongoing basis. In support of its focus on customer satisfaction, every staff member of the Procurement Division attended a client service skills workshop at the end of 2001. The Division also sought feedback on its performance through a client service survey conducted in September 2001. The Procurement Division remains committed to finding additional ways to address this issue.

10. *Requests* the Secretary-General to determine if similar tracking mechanisms can be introduced in other areas of the Secretariat;

13. The Secretary-General wishes to inform Member States that the Management Policy Office has developed a pilot tracking and reporting system for management of post and recommendations of oversight bodies in connection with its key item management project. The Procurement Division is supporting the Facilities Management Division in the development of a web-based system to monitor performance in relation to work order requests.

12. *Encourages* the Secretary-General to continue to improve annual procurement planning for all offices and departments and to make such plans publicly available, including to all permanent missions to the United Nations;

13. *Reaffirms its request* to the Secretary-General to develop a comprehensive system to measure the efficiency and cost-effectiveness of the procurement function, by taking into account the best practices of other organizations of the United Nations system, reaffirms the need for completion of the exercise, and requests the Secretary-General to submit to the General Assembly the results when completed;

18. *Requests* the Secretary-General to assess the workload and functions of all relevant units involved in the procurement process in order to guarantee that each is planning and performing with optimum efficiency and to ensure proper training for improving the skills of personnel involved in the procurement process;

14. The Secretary-General wishes to reassure Member States that the Procurement Division contacts all offices and departments, including offices away from Headquarters, and missions in the last quarter of each preceding year to solicit information on their annual procurement planning for the following year. Procurement plans are placed on the Division's Internet web site as soon as they become available.

15. The Secretary-General's efforts continue to ensure optimum efficiency in the procurement process by assessing the workload and functions of relevant units involved in procurement following a procurement process review conducted by outside consultants and activities of Management Policy Office to develop key performance indicators. The Procurement Division continues to examine the existing procurement process and has taken steps to eliminate redundancies and improve efficiency through automation and efficient use of electronic media.

16. An initiative is underway to establish an Inter-Agency Procurement Working Group Extranet site for best practices. Although this site will not be in the public domain, it is aimed at improving the procurement process within the United Nations system by making information on best practices available to procurement professionals from all United Nations organizations.

V. Procurement process

14. *Expresses its concern* about delays in payments to vendors, and requests the Secretary-General to ensure that terms of contracts are respected;

17. The Secretary-General wishes to inform Member States that representatives from the Accounts Division, the Procurement Division and the Department of Peacekeeping Operations have reviewed the procedures associated with the payment process. Action has been taken to streamline processes and a procedure has been put in place that will, inter alia, make partial payments to suppliers of goods received by the consignee while the final technical inspection is being completed.

15. *Requests* the Secretary-General to continue to monitor the discussions of the World Trade Organization on rules of origin and to keep the General Assembly informed of the progress achieved;

18. The Secretary-General wishes to inform Member States that a report was issued by the Committee on Rules of Origin of the World Trade Organization on 17 December 2001, although a number of important issues had not been resolved before the expiry of the Committee's mandate. It is understood that the Committee is seeking guidance regarding future activities on this matter from the General Council.

VI. Contract awards 2001

16. *Notes* that the detailed information requested in paragraph 20 of its resolution 54/14 was not included in the current report of the Secretary-General on procurement reform, and requests the Secretary-General to submit in future reports, as an annex, detailed information on the awarding of contracts for procurement at Headquarters and in the field to all countries, in particular to developing, least developed and African countries and countries with economies in transition;

19. The Secretary-General wishes to inform Member States that the report in question is attached to the present report as annexes I and II. Annex I shows the procurement value by country from 1997 to 2001. Annex II is a report of 2001 procurement value by country broken down by procurement for the United Nations Headquarters and offices away from Headquarters, procurement for the Department of Peacekeeping Operations conducted by the Procurement Division and procurement conducted by field missions.

VII. Procurement manual and revision of financial regulations and rules

11. *Looks forward* to the issuance of a revised version of the Procurement Manual before the end of 2001;

20. The Secretary-General wishes to inform Member States that a revised version of the Procurement Manual has been completed and is ready for publication. Since the new Manual is designed to provide guidance in accordance with the revised Financial Regulations and Rules, it will be released in conjunction with their promulgation. There was some delay in the completion of the manual as the Procurement Division was compelled to reassign staff working on the project to purchasing areas to meet an unprecedented level of procurement requirements associated with peacekeeping missions. As a measure of the transparency of the procurement process at the United Nations, the revised version is also to be posted on the Procurement Division's Intranet web site.

20. *Requests* the Secretary-General to submit to the General Assembly, through the Advisory Committee, proposals for revision of the Financial Regulations and Rules of the United Nations, which may facilitate the implementation of procurement reform;

21. The Secretary-General wishes to inform Member States that the revised Financial Regulations and Rules of the United Nations are currently being reviewed and discussed among the competent offices.

VIII. Field procurement

17. *Also notes* the increase in the delegation of authority to the field in procurement activities, as mentioned in paragraph 6 of the report of the Advisory Committee concerning procurement reform [A/55/458], and requests the Secretary-General to ensure that there is capacity in field missions to perform the procurement functions properly as well as effective and efficient mechanisms at Headquarters for monitoring procurement in the field, including:

(a) Remedial measures taken to address problems identified with regard to the United Nations peacekeeping missions;

(b) Standardization of the corrective measures taken for existing and future peacekeeping operations;

(c) A description of how accountability was pursued in the cases of individuals found to have engaged in fraud, mismanagement or abuse and how accountability measures would be applied in the future;

22. The Secretary-General wishes to inform Member States that much has been done to make the procurement system in the field missions more responsive to the requirements of peacekeeping while ensuring transparency and accountability at all stages

of the process. While the Procurement Division has the overall responsibility for procurement policy, the Department of Peacekeeping Operations has also been pursuing means to strengthen the capacity of the field missions to perform the procurement function effectively. To this effect the following measures have been implemented to increase capacity:

(a) Providing assistance and technical advice to missions on procurement and supply of goods and services by means of backstopping support for missions. The Department of Peacekeeping Operations personnel designated to each mission for a range of commodities and services also visit the missions on the basis of need;

(b) Annual procurement plans are submitted for all field missions, which also serve as a monitoring tool and means of evaluating procurement performance for the field staff;

(c) Providing the missions with tools for effective procurement and contract management activities (including guidelines, scope of work, technical specifications, sample solicitation documents, evaluation criteria and contracts). The Department also engages consultants to provide technical expertise in preparing detailed specifications and performing technical evaluations;

(d) Developing and implementing training programmes in procurement and contract management for procurement staff at field missions, in collaboration with the Office of Human Resources Management and the Procurement Division. A total of four training courses in procurement were conducted during 2001, with 200 staff participating from four different missions. A total of 13 training sessions are planned for 2002. In addition two of the contract management courses have been completed with participation from 50 procurement staff from the field; staff have also been given training in the monitoring of invoicing. A training curriculum for the managers of the Receipt and Inspection and Self-Accounting Units is under development;

(e) Institution of a quality assurance programme to monitor vendor compliance;

(f) Deployment of staff of the Procurement Division and the Department of Peacekeeping Operations from Headquarters to field missions on short notice during the start-up phase and as needed to provide on-site assistance;

(g) Annual meeting of Chief Procurement Officers to share experience, lessons learned and obtain direct feedback from the field missions; this meeting is combined with management training for the participants;

(h) New arrangements governing contingent-owned equipment and self-sustainment that reduce the amount of direct support provided by the United Nations and hence reduce procurement-related functions associated with contingent-owned equipment.

23. To establish an effective mechanism at Headquarters to aid in monitoring procurement in the field, the Department of Peacekeeping Operations has created a Contract and Property Management Unit within the Supply Section at Headquarters and in some field missions. These units are developing various automated systems to improve efficiency of the procurement process in the field.

IX. Exigency

19. *Reiterates* that the criteria for an exigency, as outlined in its decision 54/468 of 7 April 2000, must be met before making emergency procurements as an exigency provision, so that all procurements follow set procedures;

24. The Secretary-General wishes to inform Member States that the criteria for what constitutes an exigency have been incorporated in the revised Procurement Manual.

X. Letters of assist

21. *Also requests* the Secretary-General, pursuant to recommendation 4 made by the Office of Internal Oversight Services in its report [see A/55/746, sect. IV], to ensure that the criteria contained in the Procurement Manual for the use of letters of assists are strictly adhered to, and in this connection requests that a report on the subject be submitted to the General Assembly;

25. The Secretary-General wishes to inform Member States that the Procurement Division, the Department of Peacekeeping Operations and the Headquarters Committee on Contracts have reviewed the issue and decided on new procedures to better ensure that the criteria for use of letters of assist are strictly adhered to. A separate report on the issue has been prepared by the Department of Peacekeeping Operations.

XI. Funds and programmes

22. *Reiterates* the need for executive heads of the funds and programmes of the United Nations to improve their procurement practices by simplifying the registration process for vendors who have already registered with another organization of the United Nations system, with a view to a more streamlined and transparent process, utilizing, among other things, the Internet;

26. The Secretary-General wishes to inform Member States that, in order to improve the information on procurement activities in the public domain and thus enhance transparency, the Common Services Procurement Working Group conducted a comprehensive review of this issue. The working group, led by the Procurement Division, has developed a single Internet portal that will direct users to pertinent procurement information on the web sites of other organizations within the United Nations system. The thematic information on the portal, based on the Procurement Division's Internet web site, provides a template for the provision of standardized and harmonized information throughout the United Nations family of organizations. While only a few entities currently have information on all the thematic groups, other organizations are currently working to follow suit.

23. *Requests* the Secretary-General to submit to the General Assembly at its fifty-seventh session a report on all aspects of procurement reform at Headquarters and in the field, including improvements to the procurement process within the United Nations funds and programmes, as well as on the implementation of the present resolution.

27. In response to resolution 55/247, the Secretary-General also wishes to inform Member States of procurement reform activities in the United Nations funds and programmes, including the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA).

28. UNDP has undertaken procurement reform activities in five major areas: procurement policy; procurement procedures; increased procurement expertise; e-commerce initiatives; and increased transparency. In the area of procurement policy, UNDP adopted the harmonized Financial Regulations and Rules, developed by the Procurement Working Group under the Common Services Initiative, which emphasize the concept of "best value". As a part of business process re-engineering, UNDP has also initiated a number of measures, including: the introduction of purchasing cards for low value transactions, increased delegation of procurement authority to the country offices; increasing the threshold for procurement under informal methods from $70,000 to $100,000; pilot programmes for procurement audit and corporate travel cards; and development of a long-term master agreements for goods and services required on a recurrent basis. UNDP conducts procurement-training programmes in conjunction with the Inter-Agency Procurement Services Office in Copenhagen to increase the procurement capacity of officials involved in procurement. UNDP and the Inter-Agency Procurement Services Office have cooperated in developing an Internet-based procurement and materials management system, using which clients are able to obtain price quotations for a number of commonly required items. UNDP has also established the Intranet-based catalogue ordering system for UNDP headquarters utilizing long-term arrangements with various suppliers. In the area of transparency, UNDP places procurement notices for contracts in excess of $100,000 in its periodical, *Development Business*, on its web site or in the media (depending on the complexity of the project and time available for execution). UNDP also encourages suppliers to register with the United Nations Common Supplier Database, a central vendor roster used by all the country offices as a reference tool. With these measures and being an organization primarily focusing on development activities in the field, UNDP has increased the share of procurement from developing countries from 30 to 70 per cent within the last 10 years.

29. A major focus for UNICEF has been to increase the participation of suppliers from less industrialized countries in their procurement and to increase transparency. UNICEF has increased the value of procurement conducted by their field offices or regionally by 130 per cent during the last three years ($120 million in 1999 to $273 million in 2001) utilizing a strategy of decentralization. The number of suppliers from developing countries and countries with economies in transition exceeds 80 per cent of all companies registered in UNICEF headquarters and country office vendor databases. In the area of transparency, UNICEF has developed an Internet web site that contains comprehensive information on the organization's business practices, annual reports and statistics and supplies including specifications for over 2,000 products essential for children's well-being and development. Headquarters contract awards for purchases exceeding $70,000 are routinely posted on the web site and UNICEF is currently exploring ways to extend the practice to include contract awards for all formal invitations to bid, including local procurement. UNICEF has compiled an extensive set of Supply Division procedures, which provide practical guidance for procurement activities to promote compliance with standing rules and regulations and ensure that due diligence and transparency is applied throughout the process. UNICEF's future focus is to work with other agencies to promote the concept of lead agency for specific services and commodities.

30. UNFPA has given procurement reform a high priority for a number of years, and within the Fund reform efforts encompass all aspects of procurement activities from policy and procedural changes to the continued emphasis on transparency and fairness in all commercial transactions. This has led to the increased importance of the Internet in disseminating information, increasing transparency and broadening of its vendor base. One of the most significant outcomes of procurement reform has been the harmonization of its Financial Regulations and Rules in the area of procurement with those developed under the Common Services Initiative focusing on the concept of "best value". UNFPA also revised its procurement procedures in 2001 and made them available on its Intranet. The revision was made taking into account comments and observations arising from the recent Field Needs Assessment Study. UNFPA has created a web site covering procurement activities in 1996, primarily to disseminate procurement information and solicit interest from potential vendors in order to broaden the geographic distribution of its vendor database. The Internet site is currently being revised and updated to provide more comprehensive information on all aspects of procurement, including, but not limited to, procurement statistics, information on upcoming requirements and contract awards. Future emphasis in the area of automation will include the introduction of an Internet based procurement management system.

31. Parallel to the development in the electronic area, UNFPA has continued a policy of open and active cooperation with host government initiatives, particularly those from developing countries, and has been an active participant in numerous business seminars in both industrialized and developing countries. UNFPA recognizes the true benefits of inter-agency cooperation on common issues relating to procurement and has chaired the Procurement Working Group under the Secretary General's Common Services Initiative for the last several years. The Fund remains firmly committed to the future of this inter-agency initiative and, like UNICEF and the Procurement Division, intends to focus on working with other agencies to promote the concept of lead agency for specific services and commodities.

XII. Conclusion

32. **The Secretary-General believes that the present report demonstrates the continued commitment of the Organization to improving the procurement process within the United Nations and its funds and programmes. The Secretary-General reaffirms to Member States that the Procurement Division is continuing to develop an organizational culture that is responsive and committed to providing an effective and efficient service that is transparent, fair and objective, and which is reflective of the international nature of the organization. The Secretary-General remains committed to ensuring that the positive developments in procurement reform as described in the present report are sustained.**

Annex I

Procurement Division

Procurement statistics 1997-2001

Country	1997		1998		1999		2000		2001	
	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total
Afghanistan***			48 000	0.02						
Albania**					90 000	0.02	99 695	0.01	601 695	0.07
Algeria*,#					152 000	0.03			132 702	0.02
Angola***,#	4 922 408	1.59	15 873 874	4.99	5 691 587	1.22	2 572 000	0.37	8 532 500	1.00
Argentina*	1 200	0.00	167 500	0.05	1 900	0.00	3 000	0.00	1 500	0.00
Australia	54 496	0.02	79 491	0.02	1 191 868	0.25	22 582 545	3.28	26 773 529	3.48
Austria	838 063	0.27	288 768	0.09	551 800	0.12	765 149	0.11	2 713 197	0.32
Bahrain*			554 111	0.17			2 050	0.00	313 884	0.04
Barbados*	9 600	0.00	9 600	0.00	9 600	0.00	193 700	0.03	43 200	0.01
Belgium	2 183 694	0.71	649 820	0.20	763 988	0.16	249 030	0.04	895 925	0.10
Benin***,#					15 000	0.00				
Bosnia and Herzegovina**			4 055 000	1.28	6 993 000	1.49	343 527	0.05	3 466 232	0.41
Brazil*			32 000	0.01						
Bulgaria**	88 000	0.03	392 400	0.12	372 400	0.08	476 900	0.07	219 125	0.03
Burkina Faso***,#									107 200	0.01
Cambodia***									2 580 030	0.30
Canada	4 424 547	1.43	2 573 631	0.81	1 861 598	0.40	8 347 178	1.21	12 951 842	1.52
Central African Republic***,#							127 166	0.02	606 522	0.07
Chile*	6 500	0.00	7 050	0.00						
China*	113 653	0.04	591 212	0.19	896 533	0.19	1 341 645	0.20	924 795	0.11
Colombia*									1 200	0.00
Congo, Republic*,#									42 023	0.00
Costa Rica*			1 000	0.00	29 000	0.01				
Croatia**			2 295 000	0.72	1 485 203	0.32	251 826	0.04	1 664 858	0.19
Cyprus*			6 417 000	2.02	2 784 000	0.59	5 965 683	0.87	8 456 645	0.99
Democratic Republic of the Congo***,#							4 150 091	0.60	27 186 061	3.18
Denmark	995 593	0.32	11 339 192	3.57	5 145 814	1.10	10 244 097	1.49	17 862 563	2.09
Djibouti***,#									34 423	0.00
Dominican Republic*			2 000	0.00			100	0.00		
Egypt*,#	1 434 756	0.46	4 751 800	1.49	2 196 200	0.47	13 463 810	1.96	14 086 671	1.65
Eritrea***,#									4 198 743	0.49
El Salvador*							37 500	0.01		

Country	1997		1998		1999		2000		2001	
	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total
Ethiopia***,#									9 851 808	1.15
Fiji*	26 352	0.01	22 384	0.01	28 718	0.01	33 759	0.00	76 685	0.01
Finland			338 165	0.11	281 000	0.06	12 163	0.00	678 647	0.08
France	4 720 337	1.53	9 256 361	2.91	13 582 176	2.90	36 870 636	5.36	35 543 618	4.16
Gambia***,#	1 6[illegible] 706	0.54					6 000	0.00		
Georgia**			232 000	0.07	1 441 000	0.31	209 644	0.03		
Germany	1 769 593	0.57	1 875 248	0.59	2 015 043	0.43	3 175 363	0.46	8 140 525	0.95
Ghana*,#			350	0.00	72 500	0.02	3 724	0.00		
Greece			144 000	0.05	150 000	0.03	41 217	0.01	59 962	0.01
Guatemala*	454 000	0.15	4 114 000	1.29	2 715 136	0.58	2 193 067	0.32	1 512 023	0.18
Guinea***,#							17 215	0.00	10 162	0.00
Haiti***			3 375 000	1.06	2 374 000	0.51	1 920 478	0.28		
Honduras*							10 935	0.00		
Hungary**			791 188	0.25	16 034	0.00	5 443	0.00		
India*	152 565	0.05	6 798 490	2.14	2 111 115	0.45	30 133 882	4.38	23 301 510	2.73
Indonesia*							6 005 413	0.87	11 644 179	1.36
Iran (Islamic Republic of)*									23 900	0.00
Iraq*			729 000	0.23	675 000	0.14	290 267	0.04	2 613 379	0.31
Ireland	761 421	0.25	652 636	0.21	623 213	0.13	380 850	0.06	10 258 341	1.20
Israel*			9 078 875	2.85	8 563 720	1.83	2 993 967	0.44	17 184 939	2.01
Italy	9 460 966	3.06	13 348 161	4.20	17 633 220	3.77	21 353 454	3.10	42 891 560	5.02
Japan	17 741 904	5.73	19 655 845	6.18	39 701 469	8.48	39 734 651	5.78	11 891 418	1.39
Jordan*			412 520	0.13	5 467 278	1.17	370 341	0.05	575 592	0.07
Kazakhstan**					40 000	0.01				
Kenya*,#			46 000	0.01			30 469	0.00	142 172	0.02
Kuwait*			6 158 000	1.94	4 363 000	0.93	2 305 354	0.34	7 380	0.00
Lebanon*	893 800	0.29	8 543 400	2.69	8 656 000	1.85	49 298	0.01	10 438 817	1.22
Lesotho***,#			11 000	0.00						
Liberia***,#			3 000	0.00						
Lithuania**									2 333	0.00
Luxembourg			1 000	0.00			101 446	0.01		
Malaysia*			11 000	0.00	7 411 243	1.58	7 372	0.00	129 878	0.02
Mauritania***,#					104 000	0.02				
Mauritius*,#							15 000	0.00		
Mexico*							123	0.00		
Monaco	29 437 046	9.51	3 829 000	1.20	25 000	0.01	3 944 519	0.57	15 719 237	1.84
Mongolia*									35 553	0.00
Morocco*,#			70 000	0.02	6 340 000	1.35			3 791 559	0.44

Country	1997		1998		1999		2000		2001	
	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total
Namibia*,#			19 000	0.01						
Netherlands	4 034 394	1.30	4 276 983	1.34	10 048 602	2.15	5 281 702	0.77	9 954 872	1.17
New Zealand	239 655	0.08	155 000	0.05	274 598	0.06	467 559	0.07	2 416 349	0.28
Nigeria*,#							223 252	0.03	845 [illegible]	0.10
Norway	23 000	0.01	188 500	0.06	1 144 395	0.24	5 114 499	0.74	4 386 302	0.51
Oman*			208 000	0.07	179 000	0.04	198	0.00	112 019	0.01
Pakistan*			835 000	0.26	485 000	0.10	387 348	0.06	320 156	0.04
Papua New Guinea*							18 466	0.00		
Poland**			7 000	0.00					130 505	0.02
Portugal			1 047 000	0.33					1 320 000	0.15
Republic of Korea*			1 000	0.00	102 887	0.02	975 966	0.14	292 232	0.03
Romania**	2 701 500	0.87	1 018 300	0.32	1 822 450	0.39	1 387 900	0.20		
Russian Federation**	2 579 040	0.83	11 979 224	3.77	19 288 869	4.12	91 466 375	13.30	96 457 802	11.29
Rwanda***,#							12 374	0.00	130 500	0.[illegible]
Saudi Arabia*	124 786	0.04	46 000	0.01	235 000	0.05	111 249	0.02	215 165	0.03
Sierra Leone***,#							8 819 146	1.28	22 827 043	2.67
Singapore*			6 000	0.00			949 765	0.14	1 989 418	0.23
Slovakia**							498 039	0.07	229 700	0.03
Slovenia**			260 000	0.08	76 000	0.02	276 458	0.04	227 799	0.03
South Africa*,#	13 534 137	4.37	8 967 653	2.82	4 870 605	1.04	12 640 543	1.84	29 499 366	3.45
Spain			5 000	0.00	103 000	0.02	63 386	0.01	272 306	0.03
Sudan***,#					41 000	0.01	10 415	0.00	32 789	0.00
Sweden	30 678	0.01	1 250 696	0.39	9 081 885	1.94	27 032 999	3.93	2 866 869	0.34
Switzerland	719 032	0.23	644 692	0.20	13 479 893	2.88	23 016 204	3.35	15 587 787	1.82
Syrian Arab Republic*			2 697 000	0.85	1 219 000	0.26	19 198	0.00	3 554 186	0.42
Tajikistan**			1 247 000	0.39	411 000	0.09				
Thailand*	14 622	0.00			11 841	0.00	217 796	0.03	58 427	0.01
The former Yugoslav Republic of Macedonia**			2 979 000	0.94	601 000	0.13	2 697 490	0.39	13 644 563	1.60
Turkey*			5 613 280	1.77	4 255 927	0.91	792 147	0.12	647 914	0.08
Uganda***,#									13 088	0.00
Ukraine**	2 870 172	0.86	4 239 043	1.33	6 453 261	1.38	5 094 950	0.74	11 664 667	1.37
United Nations Transitional Authority (East Timor)*							3 905 489	0.57	11 839 188	1.39
United Arab Emirates*			853 440	0.27	1 619 870	0.35	601 021	0.09	2 125 241	0.25
United Kingdom of Great Britain and Northern Ireland	10 764 318	3.48	30 784 906	9.68	42 440 917	9.06	74 567 029	10.84	52 520 773	6.15
United States of America	189 870 022	61.38	98 844 691	31.08	193 721 001	41.37	195 635 948	28.45	215 998 683	25.28
Uruguay*	1 100	0.00								

Country	1997		1998		1999		2000		2001	
	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total	Goods and services in US$	Percentage of total
Uzbekistan**			127 000	0.04	2 000	0.00				
Venezuela*			6 000	0.00						
Viet Nam*					30 000	0.01				
Yemen***							12 000	0.00		
Yugoslavia**			79 000	0.02	1 519 000	0.35	1 993 968	0.29	8 318 797	0.97
Zaire***,#										
Zambia***,#			12 000	0.00					13 183	0.00
Zimbabwe*,#			1 000	0.00						
Total	**309 488 687**	**100.00**	**319 038 499**	**100.00**	**469 219 387**	**100.00**	**687 734 119**	**100.00**	**884 411 787**	**100.00**
Summary by selected groups										
# Africa	21 551 007	6.96	29 755 677	9.36	19 482 892	4.16	42 091 205	6.12	122 084 414	14.29
* Developing (a)	16 767 071	5.42	67 772 665	20.72	65 482 073	13.73	86 293 397	12.55	148 977 354	17.20
*** Least developed (b)	6 582 114	2.13	19 322 874	5.91	8 225 887	1.72	17 646 883	2.57	76 124 052	8.91
Subtotal for (a) and (b)	**23 349 185**	**7.55**	**87 095 539**	**26.63**	**73 687 960**	**15.45**	**103 940 280**	**15.11**	**223 101 406**	**26.11**
** Economies in transition (c)	8 038 712	2.60	29 701 155	9.08	40 710 217	8.54	104 802 215	15.24	138 626 076	15.99
Subtotal for (a), (b) and (c)	**31 387 897**	**10.14**	**116 796 693**	**35.71**	**114 397 877**	**23.99**	**208 742 495**	**30.36**	**359 727 482**	**42.10**
Industrialized (d)	278 068 760	89.86	210 309 641	64.29	362 487 088	76.01	478 991 624	69.65	494 684 305	57.90
Grand total (a)+(b)+(c)+(d)	**309 488 687**	**100.00**	**327 106 334**	**100.00**	**476 884 964**	**100.00**	**687 734 119**	**100.00**	**884 411 787**	**100.00**

Notes

1. With respect to procurement statistics on supply sources, it should be underlined that country of supply with respect of goods is determined on the basis of the location of the supplier whereas, in the case of services, this is determined on the basis of the location of the firm's headquarters.

2. Country assignments are based on the location of the supplier offering the goods not on the country where the goods are actually produced (for more information on rules of origin, please see the World Trade Organization web site, www.wto.org. Goods made in country A, but sold to the United Nations by a company based in country B, are attributed to country B. In this respect, it should be noted that $39.9 million in airline and shipping expenditures were attributed to the United States of America in both 1999 and 2000, while $29.2 million was attributed for 2001. A major part of these costs were ultimately remitted to non-United States carriers. In the case of air travel, these payments are ticketed through the United Nations Travel Agency and freight is charged through the freight forwarder based in New York.

3. Prior to 1998 procurement statistics were based solely on purchases conducted by, or through, the Procurement Division. Purchases made through the exercise of delegated authorities by field missions were incorporated into the Procurement Division's statistical presentations for the first time in the 1988 (revised) statistics. A comparison with statistics prior to 1998 is not possible.

4. In 1999, a number of purchases of services such as contracts for legal, insurance, travel and medical services were incorporated in the statistics for the first time.

Annex II

2001 Procurement value by country, headquarters, offices away from headquarters, the Department of Peacekeeping Operations and missions

(In United States dollars)

Country	*Headquarters and offices away from headquarters*	*Department of Peace-keeping Operations*	*Missions*	*Total*	*Percentage*
Albania***			601 695	601 695	(0.07)
Algeria*#			132 702	132 702	(0.02)
Angola**#		8 532 500		8 532 500	(1.00)
Argentina*	1 500			1 500	(0.00)
Australia	-340	11 797 748	17 976 121	29 773 529	(3.48)
Austria	307 379	117 800	2 288 018	2 713 197	(0.32)
Bahrain*	12 626		301 238	313 864	(0.04)
Barbados*	43 200			43 200	(0.01)
Belgium	81 421	224 564	589 940	895 925	(0.10)
Bosnia and Herzegovina***			3 466 232	3 466 232	(0.41)
Bulgaria***			219 125	219 125	(0.03)
Burkina Faso**#	107 200			107 200	(0.01)
Cambodia**		2 580 030		2 580 030	(0.30)
Canada	1 544 840	11 134 139	272 862	12 951 842	(1.52)
Central African Republic**#			606 522	606 522	(0.07)
China*	776 000	27 501	121 295	924 795	(0.11)
Colombia*	1 200			1 200	(0.00)
Congo*#	25 000		17 023	42 023	(0.00)
Croatia***		194 141	1 470 718	1 664 858	(0.19)
Cyprus*			8 456 645	8 456 645	(0.99)
Democratic Republic of the Congo**#			27 186 061	27 186 061	(3.18)
Denmark	329 778	12 611 506	4 921 279	17 862 563	(2.09)
Djibouti**#			34 423	34 423	(0.00)
Egypt*#	33 000	14 016 987	36 684	14 086 671	(1.65)
Eritrea**#			4 198 743	4 198 743	(0.49)
Ethiopia**#		9 376 991	474 817	9 851 808	(1.15)
Fiji*		76 685		76 685	(0.01)
Finland	20 000		658 647	678 647	(0.08)
France	293 391	18 619 000	16 631 226	35 543 618	(4.16)
Germany	292 520	4 372 198	3 475 807	8 140 525	(0.95)
Greece			59 962	59 962	(0.01)
Guatemala*	6 000	285 915	1 220 108	1 512 023	(0.18)
Guinea**#			10 162	10 162	(0.00)

Country	Headquarters and offices away from headquarters	Department of Peace-keeping Operations	Missions	Total	Percentage
India*	633 915	22 045 541	622 054	23 301 510	(2.73)
Indonesia*			11 644 179	11 644 179	(1.36)
Iran (Islamic Republic of)			23 900	23 900	(0.00)
Iraq*			2 613 379	2 613 379	(0.31)
Ireland	35 885	10 163 488	38 968	10 238 341	(1.20)
Israel*	30 365	4 236 643	12 917 931	17 184 939	(2.01)
Italy	6 398 149	12 064 097	24 429 314	42 891 560	(5.02)
Japan	30 000	8 746 714	3 114 704	11 891 418	(1.39)
Jordan*		465 950	109 642	575 592	(0.07)
Kenya*#			142 172	142 172	(0.02)
Kuwait*			7 380	7 380	(0.00)
Lebanon*			10 438 817	10 438 817	(1.22)
Lithuania***			2 333	2 333	(0.00)
Malaysia*			129 878	129 878	(0.02)
Monaco		554 662	15 164 575	15 719 237	(1.84)
Mongolia*			35 553	35 553	(0.00)
Morocco*#			3 791 559	3 791 559	(0.44)
Netherlands	6 477 664	1 059 220	2 417 988	9 954 872	(1.17)
New Zealand	97 000	1 341 503	977 846	2 416 349	(0.28)
Nigeria*#	843 350		2 548	845 898	(0.10)
Norway		4 330 953	55 349	4 386 302	(0.51)
Oman*			112 019	112 019	(0.01)
Pakistan*			320 156	320 156	(0.04)
Poland***			130 505	130 505	(0.02)
Portugal		1 320 000	-	1 320 000	(0.15)
Republic of Korea*	3 660	235 844	52 728	292 232	(0.03)
Russian Federation***	1 927 373	94 530 429		96 457 802	(11.29)
Rwanda**#	9 000		121 500	130 500	(0.02)
Saudi Arabia*			215 165	215 165	(0.03)
Sierra Leone**#			22 827 043	22 827 043	(2.67)
Singapore*			1 989 418	1 989 418	(0.23)
Slovakia***		229 700		229 700	(0.03)
Slovenia***			227 799	227 799	(0.03)
South Africa*#	1 159 000	23 767 220	4 573 145	29 499 366	(3.45)
Spain		110	272 197	272 306	(0.03)
Sudan**#			32 789	32 789	(0.00)
Sweden	-1 106 663	3 544 232	429 280	2 866 869	(0.34)
Switzerland	13 534 378	1 265 505	767 904	15 567 787	(1.82)
Syrian Arab Republic*			3 554 186	3 554 186	(0.42)

Country	Headquarters and offices away from headquarters	Department of Peace-keeping Operations	Missions	Total	Percentage
Thailand*	1 500		54 927	56 427	(0.01)
The former Yugoslav Republic of Macedonia***			13 644 563	13 644 563	(1.60)
Turkey*		342 766	305 148	647 914	(0.08)
Uganda**#			13 088	13 088	(0.00)
Ukraine***		11 664 667		11 664 667	(1.37)
United Nations Transitional Authority (East Timor)*			11 839 166	11 839 166	(1.39)
United Arab Emirates*	-8 680	7 850	2 126 071	2 125 241	(0.25)
United Kingdom of Great Britain and Northern Ireland	1 272 439	28 039 416	23 208 918	52 520 773	(6.15)
United States of America	126 094 609	72 754 101	17 149 973	215 998 683	(25.28)
Yugoslavia***			8 316 797	8 316 797	(0.97)
Zambia**#			13 183	13 183	(0.00)
Total	**161 307 660**	**396 678 337**	**296 425 790**	**854 411 787**	
Total number of purchase orders	**2 556**	**1 475**	**11 050**	**15 081**	
# Africa	2 176 550	55 693 698	64 214 165	122 084 414	
* Developing (a)	3 561 636	65 508 902	77 906 816	146 977 354	
** Least developed (b)	116 200	20 489 521	55 518 331	76 124 052	
*** Economies in transition (c)	1 927 373	106 618 937	28 079 766	136 626 076	
	5 605 209	192 617 360	161 504 913	359 727 482	
Industrialized (d)	155 702 451	204 060 977	134 920 877	494 684 305	

Notes

1. With respect to procurement statistics on supply sources, it should be underlined that country of supply, with respect of goods, is determined on the basis of the location of the supplier whereas, in the case of services, it is determined on the basis of the location of the firm's headquarters.

2. Country assignments are based on the location of the supplier offering the goods and not based on the country where the goods are actually produced (for more information on rules of origin, please see the World Trade Organization web site www.wto.org. Goods made in country A, but sold to the United Nations by a company based in country B, are attributed to country B. In this respect, it should be noted that $29.2 million in airline and shipping expenditures were attributed to the United States of America. A major part of these costs were ultimately remitted to non-United States carriers. In the case of air travel, these payments are ticketed through the United Nations Travel Agency and freight is charged through the freight forwarder based in New York.